

CONTROLLER JOHN CHIANG

STATE OF CALIFORNIA

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.controller.ca.gov

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CONTACT: HALLYE JORDAN
916-445-2636

Chiang Describes Impact of Budget Delay On September Payments

SACRAMENTO – State Controller John Chiang today outlined more than \$7.6 billion in estimated payments his office will be prohibited from making if a State Budget is not adopted by the end of September. The [list of payments](#) is available at the [Controller's web site](#). The website also details \$3 billion in estimated payments that could not be made in August, and \$1.25 billion in payment that were withheld in July because of the lack of a state spending plan.

“As this budget stalemate stretches into the third month, and, unfortunately, closes in on the all-time record for a late budget, real people are being increasingly hurt,” Chiang said. “If no budget is enacted in September, schools, hospitals, nursing homes and small businesses will have lost out on an estimated \$12 billion in critical funding since July 1. Without a budget, college students entering classes in September will not have received more than \$120 million in financial assistance for books, tuition, and room and board. Community colleges will be shut out of \$1.4 billion in State funds they depend on, and more than \$4.7 billion in Medi-Cal payments will not have been made to hospitals, nursing homes, rural health care clinics and regional developmental services centers that serve our most vulnerable populations.”

Without a budget in place in September, the Controller will be prohibited from paying:

- School districts for “categorical” programs such as special education and remedial summer school, community colleges, and local governments.
- Vendors for services provided after July 1.
- Salaries and per diem of state elected officials and their appointed staff.

The Controller continues to make the following payments:

- Federally-mandated services such as Supplemental Security Income/State Supplementary Payment (SSI/SSP), and In-Home Supportive Services.
- Payroll for state employees covered by the Federal Fair Labor Standards Act.
- Vendor payments for services provided in the previous fiscal year ending June 30.
- Expenses with ongoing appropriations from the Legislature, including Medi-Cal (payments to non-institutional providers), CalWORKs, income tax refunds and payments on claims for unclaimed property.
- Debt service and other financial obligations authorized by the State Constitution.

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